

HOUSE BILL 1126

A1

2lr2385
CF SB 579

By: **Delegates Schulz, Hogan, ~~and Stifler~~ Stifler, Barkley, Hershey, Hucker,
Impallaria, Jameson, Love, and Olszewski**

Introduced and read first time: February 10, 2012

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 13, 2012

CHAPTER _____

1 AN ACT concerning

2 **Alcoholic Beverages – Farm Brewery Manufacturer’s License**

3 FOR the purpose of creating a Class 8 farm brewery manufacturer’s license; specifying
4 a certain annual fee for the license; authorizing a licensee to sell and deliver
5 beer manufactured in a facility on the licensed farm or in another facility to
6 certain persons; requiring that the beer be manufactured in a certain manner;
7 requiring that a farm brewery be located only at the place stated on the license;
8 providing that a licensee may exercise the privileges of the license,
9 notwithstanding local law; specifying the privileges that may be exercised by a
10 licensee, including providing samples of beer, selling certain foods, storing beer,
11 brewing beer, bottling beer, or contracting for a certain number of barrels of
12 beer each calendar year; specifying the times during which a licensee may
13 exercise the privileges of the license; specifying the days of operation for a
14 licensee; prohibiting a licensee from selling or allowing to be consumed at a
15 certain location certain alcoholic beverages other than the beer produced by the
16 licensee under this Act; specifying that certain provisions of law apply to a
17 licensee; authorizing a licensee to sponsor a certain multibrewery activity at the
18 licensed farm under certain conditions; specifying the privileges that a licensee
19 may exercise at a multibrewery activity and the times that the activity may be
20 held; authorizing the Office of the Comptroller to issue a special brewery
21 promotional event permit to a licensee under certain conditions; specifying the
22 privileges that may be exercised by the licensee at the special brewery
23 promotional event; requiring that the beer at the special brewery promotional

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 event be sold by the glass and for consumption on the premises only; and
 2 generally relating to Class 8 farm brewery licenses.

3 BY repealing and reenacting, with amendments,
 4 Article 2B – Alcoholic Beverages
 5 Section 2–201(a)
 6 Annotated Code of Maryland
 7 (2011 Replacement Volume)

8 BY adding to
 9 Article 2B – Alcoholic Beverages
 10 Section 2–209
 11 Annotated Code of Maryland
 12 (2011 Replacement Volume)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article 2B – Alcoholic Beverages**

16 2–201.

17 (a) The annual fees for manufacturer’s licenses are as follows:

| | | | |
|----|----------------|---------------------|------------|
| 18 | Class 1 | Distillery | \$ 2,000 |
| 19 | Class 2 | Rectifying | 600 |
| 20 | Class 3 | Winery | 750 |
| 21 | Class 4 | Limited Winery | 200 |
| 22 | Class 5 | Brewery | 1,500 |
| 23 | Class 6 | Pub–Brewery | 500 |
| 24 | Class 7 | Micro–Brewery | 500 |
| 25 | CLASS 8 | FARM BREWERY | 200 |

26 **2–209.**

27 **(A) (1) THERE IS A CLASS 8 FARM BREWERY LICENSE.**

28 **(2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A CLASS 8**
 29 **FARM BREWERY LICENSE ALLOWS THE LICENSEE TO SELL AND DELIVER BEER**
 30 **MANUFACTURED IN A FACILITY ON THE LICENSED FARM OR IN A FACILITY**
 31 **OTHER THAN ONE ON THE LICENSED FARM TO:**

32 **(I) A WHOLESALER LICENSED TO SELL AND DELIVER BEER**
 33 **IN THE STATE; OR**

- 1 **9. ICE CREAM;**
- 2 **10. JELLY;**
- 3 **11. JAM;**
- 4 **12. VINEGAR;**
- 5 **13. PIZZA;**
- 6 **14. PREPACKAGED SANDWICHES AND OTHER**
7 **PREPACKAGED FOODS READY TO BE EATEN;**
- 8 **15. SOUP; AND**
- 9 **16. CONDIMENTS.**

10 **(7) SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, A**
11 **LICENSEE MAY EXERCISE THE PRIVILEGES OF THE LICENSE EACH DAY DURING**
12 **THE FOLLOWING TIMES:**

13 **(I) FROM 10 A.M. TO 6 P.M., FOR CONSUMPTION OF BEER**
14 **AND SALES AND SERVICE OF FOOD AT THE LICENSED FARM; AND**

15 **(II) FROM 10 A.M. TO 10 P.M., FOR:**

- 16 **1. SAMPLING OF BEER;**
- 17 **2. CONSUMPTION OF BEER OFF THE LICENSED FARM**
18 **IF THE BEER IS PACKAGED IN SEALED OR RESEALABLE CONTAINERS, SUCH AS**
19 **GROWLERS; AND**
- 20 **3. GUESTS WHO ATTEND A PLANNED PROMOTION**
21 **EVENT OR OTHER ORGANIZED ACTIVITY AT THE LICENSED FARM.**

22 **(8) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
23 **PARAGRAPH, A CLASS 8 FARM BREWERY LICENSE ALLOWS THE LICENSEE TO**
24 **OPERATE 7 DAYS A WEEK.**

25 **(II) IN GARRETT COUNTY, A LICENSEE MAY OPEN ON**
26 **SUNDAYS DURING THE HOURS ALLOWED UNDER § 11-512(c)(3) OF THIS**
27 **ARTICLE TO ENGAGE IN THE ACTIVITIES LISTED IN PARAGRAPH (3) OF THIS**
28 **SUBSECTION ONLY IN AN ELECTION DISTRICT WHERE THE VOTERS, IN A**

1 REFERENDUM AUTHORIZED BY LAW, HAVE APPROVED SUNDAY SALES AT A
2 FARM.

3 (9) EXCEPT AS PROVIDED UNDER SUBSECTION (D) OF THIS
4 SECTION, A LICENSEE MAY NOT SELL OR ALLOW TO BE CONSUMED AT THE
5 LOCATION OF THE FARM BREWERY ANY ALCOHOLIC BEVERAGE OTHER THAN
6 THE BEER PRODUCED BY THE LICENSEE UNDER THE AUTHORITY OF THIS
7 SECTION.

8 (10) NOTHING IN THIS SUBSECTION LIMITS THE APPLICATION OF
9 RELEVANT PROVISIONS OF TITLE 21 OF THE HEALTH – GENERAL ARTICLE, AND
10 REGULATIONS ADOPTED UNDER THAT TITLE, TO A LICENSEE.

11 (B) THE PLACE LISTED ON THE CLASS 8 FARM BREWERY LICENSE
12 SHALL BE IN COMPLIANCE WITH § 9–103 OF THIS ARTICLE.

13 (C) A LICENSEE MAY:

14 (1) STORE ON ITS LICENSED FARM, IN A SEGREGATED AREA
15 APPROVED BY THE COMPTROLLER, BEER PRODUCED AT THE LICENSED FARM
16 FOR SALE AND DELIVERY TO A WHOLESALER LICENSED IN THE STATE OR A
17 PERSON OUTSIDE OF THE STATE AUTHORIZED TO ACQUIRE THE BEER;

18 (2) BREW, BOTTLE, OR CONTRACT FOR NOT MORE THAN 15,000
19 BARRELS OF BEER EACH CALENDAR YEAR;

20 (3) CONTRACT WITH THE HOLDER OF A CLASS 5 BREWERY
21 LICENSE OR A CLASS 2 RECTIFYING LICENSE TO BREW AND BOTTLE BEER FROM
22 INGREDIENTS PRODUCED ON THE LICENSED FARM;

23 (4) IMPORT, EXPORT, AND TRANSPORT ITS BEER IN ACCORDANCE
24 WITH THIS SECTION; AND

25 (5) STORE BEER AT A WAREHOUSE FOR WHICH THE LICENSEE
26 HAS BEEN ISSUED AN INDIVIDUAL STORAGE PERMIT, FOR SALE AND DELIVERY
27 TO A WHOLESALER LICENSED IN THE STATE OR A PERSON OUTSIDE OF THE
28 STATE AUTHORIZED TO ACQUIRE THE BEER, OR SHIPMENT BACK TO THE
29 LICENSED FARM, IF:

30 (I) THE LICENSEE DOES NOT SERVE OR SELL BEER AT THE
31 WAREHOUSE; AND

32 (II) THE COMPTROLLER HAS FULL ACCESS AT ALL TIMES
33 TO THE WAREHOUSE TO ENFORCE THIS ARTICLE.

- 1 **(I) MAY BE HELD FROM 10 A.M. TO 10 P.M. EACH DAY; AND**
- 2 **(II) MAY NOT EXCEED 3 CONSECUTIVE DAYS.**
- 3 **(7) THE PERMIT FEE IS \$25 PER EVENT.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 July 1, 2012.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.